

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

AUGUST 14, 2000

IN RE:

**BELLSOUTH TELECOMMUNICATIONS, INC.'S
TARIFF TO OFFER CONTRACT SERVICE
ARRANGEMENT (TN 98-6726-00)**

**DOCKET NO.
99-00230**

**ORDER DENYING MOTION TO CONTINUE, DENYING PETITIONS TO
INTERVENE, AND GRANTING APPROVAL OF BELLSOUTH
CONTRACT SERVICE ARRANGEMENT (TN 98-6726-00)**

This matter came before the Tennessee Regulatory Authority ("Authority") at the regularly scheduled Authority Conference of June 8, 1999 on the tariff filing of BellSouth Telecommunications, Inc. ("BellSouth") for approval to offer Contract Service Arrangement No. TN 98-6726-00 ("CSA"). BellSouth filed Tariff No. 99-00230 on April 8, 1999, with a proposed effective date of May 10, 1999. The Directors of the Authority first considered this matter at the regularly scheduled Authority Conference held on May 4, 1999 and unanimously suspended the tariff for thirty (30) days.

Time Warner Telecom of the Mid-South, L.P. ("Time Warner") filed a Petition to Intervene on April 27, 1999 and a Motion to Withdraw Petition to Intervene on May 7, 1999. NEXTLINK Tennessee, Inc. ("NEXTLINK") and the Southeastern Competitive Carriers Association ("SECCA") filed Petitions to Intervene on April 28, 1999. The Authority notified the parties that it would consider the tariff and Petitions to Intervene at the June 8, 1999 Authority Conference. Due to the unavailability of counsel, both NEXTLINK and SECCA filed a Motion for Continuance on June 4, 1999.

At the regularly scheduled Authority Conference held on June 8, 1999, the Directors first addressed the Motion to Continue, and after a lengthy discussion, a majority¹ voted to deny the motion. Next, the Directors simultaneously addressed the Petitions to Intervene and the approval of the CSA.

A majority² of the Directors denied the Petitions to Intervene in this docket and subsequently approved the CSA based upon the following:

1. The purpose of this CSA is to provide a Volume and Term Discount to the customer identified in the filing. Through this arrangement, BellSouth is offering a ten percent (10%) discount on various eligible local exchange and private line services to a customer who has agreed to a minimum annual revenue commitment and a three (3) year contract term.
2. This CSA is designed to provide various eligible local exchange and private line services at an overall rate comparable to competitive alternatives.
3. This CSA contains termination clauses that are linked to the tariff and that specify the charges to be assessed to any customer who terminates the agreement prior to the end of the term.

¹ Director Kyle moved to deny the motion and stated that the continuance “delays our work in here.” *Transcript of June 8, 1999 Authority Conference*, p. 39. Director Greer seconded the motion and stated: “I will simply say that I too do not believe that it is in the best interest of the consumers to delay this matter” *Id.* at 41-42. In voting against the majority, Chairman Malone noted that the Authority routinely grants motions for continuance in the first instance and expressed his position that a delay of three business days, as requested by NEXTLINK and SECCA, would not substantially delay this docket or harm consumers.

² Directors Greer and Kyle have consistently voted to approve this specific service type of CSA. Director Greer has voted to approve such CSAs because they benefit consumers and comply with BellSouth’s tariffs. Director Kyle has stated on the record that the CSAs she votes to approve are a benefit to the consumer who is receiving lower rates and are not harmful to competition. Chairman Malone voted to deny this CSA consistent with both his reasoning and his votes on November 17, 1998; January 12, 1999; January 19, 1999; February 2, 1999; March 16, 1999; and April 20, 1999 relative to similar CSAs. Chairman Malone generally opined in those other dockets that approval of each CSA without a thorough review and analysis may substantially impede the development of a competitive environment because there is not sufficient information available to determine whether the CSAs may be discriminatory, anti-competitive or in violation of state and/or federal law.

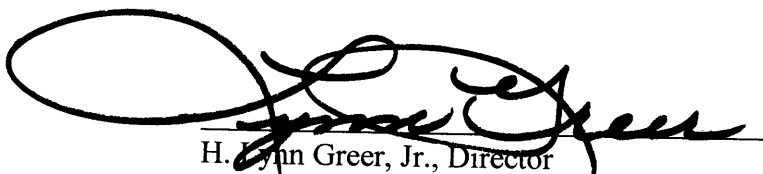
4. Approval of this CSA is consistent with similar CSAs previously approved by the Authority.

IT IS THEREFORE ORDERED THAT:

1. The Motion for Continuance filed by NEXTLINK Tennessee, Inc. and the Southeastern Competitive Carriers Association is denied;
2. The Petitions to Intervene filed by NEXTLINK Tennessee, Inc. and the Southeastern Competitive Carriers Association are denied; and
3. BellSouth Telecommunications, Inc.'s Tariff No. 99-00230, which seeks approval of Contract Service Arrangement No. TN 98-6726-00, is hereby granted.

* * *

Melvin J. Malone, Chairman

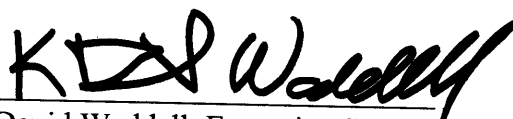


H. Lynn Greer, Jr., Director



Sara Kyle, Director

ATTEST:



K. David Waddell, Executive Secretary

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* * * Chairman Malone voted in favor of the Motion for Continuance and voted against the prevailing motion to deny the Petitions to Intervene and approve the tariff.